

October 16, 2023

EDWARD J. EMMONS, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

1 PAUL J. PASCUZZI, State Bar No. 148810
 2 JASON E. RIOS, State Bar No. 190086
 3 THOMAS R. PHINNEY, State Bar No. 159435
 4 FELDERSTEIN FITZGERALD
 5 WILLOUGHBY PASCUZZI & RIOS LL
 6 500 Capitol Mall, Suite 2250
 7 Sacramento, CA 95814
 Telephone: (916) 329-7400
 Facsimile: (916) 329-7435
 Email: ppascuzzi@ffwplaw.com
 jrios@ffwplaw.com
 tphinney@ffwplaw.com

Signed and Filed: October 16, 2023

DENNIS MONTALI
U.S. Bankruptcy Judge

8 ORI KATZ, State Bar No. 209561
 9 ALAN H. MARTIN, State Bar No. 132301
 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
 A Limited Liability Partnership
 10 Including Professional Corporations
 Four Embarcadero Center, 17th Floor
 11 San Francisco, CA 94111
 Telephone: (415) 434-9100
 Facsimile: (415) 434-3947
 okatz@sheppardmullin.com
 amartin@sheppardmullin.com

14 Attorneys for
 15 The Roman Catholic Archbishop of San Francisco

16 UNITED STATES BANKRUPTCY COURT

17 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

18 In re:	Case No. 23-30564
19 THE ROMAN CATHOLIC ARCHBISHOP	Chapter 11
20 OF SAN FRANCISCO,	ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 327, 328, and 330 AUTHORIZING THE DEBTOR TO EMPLOY AS OF THE PETITION DATE AND PROVIDE COMPENSATION TO PROFESSIONALS USED IN THE ORDINARY COURSE OF BUSINESS [11 U.S.C. §§ 105(a), 327, 328, and 330]
21 Debtor and Debtor In Possession.	Date: October 12, 2023 Time: 1:30 p.m. Place: Via ZoomGov Judge: Hon. Dennis Montali

27 ///

1 Upon the Motion, dated September 14, 2023 (the “Motion¹”) of the Roman Catholic
2 Archbishop of San Francisco as debtor and debtor in possession (“RCASF” or “Debtor”) in the
3 above-captioned chapter 11 case (the “Bankruptcy Case”), pursuant to sections 105(a), 327, 328,
4 330, 363(b) and 1108, of title 11 of the United States Code (the “Bankruptcy Code”), for entry of
5 an order authorizing, but not directing, the Debtor to (i) establish certain procedures to retain and
6 compensate those professionals that the Debtor employs in the ordinary course of business
7 (collectively, the “Ordinary Course Professionals”), effective as of the Petition Date (as defined
8 below), without (a) the submission of separate retention applications or (b) the issuance of separate
9 retention orders by the Court for each individual Ordinary Course Professional; and (ii) compensate
10 and reimburse Ordinary Course Professionals without individual fee applications, all as more fully
11 set forth in the Motion; and good cause appearing therefor;

12 **IT IS HEREBY ORDERED THAT:**

13 1. The Motion is granted as provided herein.

14 2. The Debtor is authorized, but not directed, to employ the Ordinary Course
15 Professionals listed on Exhibit 1 hereto in the ordinary course of its business in accordance with
16 the following procedures (the “Procedures”), effective as of the Petition Date:

17 (i) Within thirty (30) days after the later of (a) the entry of an order granting this
18 Motion and (b) the date on which an Ordinary Course Professional commences
19 services for the Debtor, each Ordinary Course Professional will provide the
20 following to the Debtor’s attorneys: (1) a declaration (the “OCP Declaration”),
21 substantially in the form annexed to this Order as Exhibit 2, certifying that the
Ordinary Course Professional does not represent or hold any interest adverse to
the Debtor or its estate with respect to the matter(s) on which such professional
is to be employed, and (2) a completed retention questionnaire (the “Retention
Questionnaire”), substantially in the form annexed to this Order as Exhibit 3.

22 (ii) Upon receipt of a completed OCP Declaration and Retention Questionnaire, the
23 Debtor will file the same with the Court and serve copies on (a) the United
24 States Trustee for Region 17 (the “U.S. Trustee”), (b) counsel for the official
committee appointed in this Bankruptcy Case (“Committee”), and (c) parties
25 that have requested special notice who have elected to receive notice
electronically via ECF or otherwise (collectively, the “Reviewing Parties”).

26 (iii) If a party wishes to object to the retention of an Ordinary Course Professional,
27 such party shall, within fifteen (15) days after the filing of the applicable OCP
Declaration (the “Retention Objection Deadline”), file with the Court and serve

28 ¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such
terms in the Motion.

1 on (a) the attorneys for the Debtor and (b) the relevant Ordinary Course
2 Professional (together, the “Objection Recipients”) a written objection stating
3 the legal and/or factual bases for such objection. If no objection to the retention
4 of an Ordinary Course Professional is filed with the Court and served on the
Objection Recipients before the Retention Objection Deadline, the retention
and employment of such professional shall be deemed approved without further
order of the Court.

5 (iv) If a timely objection to the retention of an Ordinary Course Professional is filed
6 with the Court and served on the Objection Recipients, and such objection
7 cannot be resolved within fourteen (14) days after the Retention Objection
Deadline, the Debtor will file a notice of hearing and schedule the matter for
adjudication by the Court at the next available hearing that is at least seven (7)
days from the date of such notice.

8 (v) No Ordinary Course Professional may be paid any amount for invoiced fees
9 and expenses until the Ordinary Course Professional has been retained in
accordance with these Procedures.

10 (vi) The Debtor is authorized to retain any Ordinary Course Professional and to
11 compensate such Ordinary Course Professional, without separate application to
the Court, 100% of the fees and reimburse 100% of the expenses incurred upon
12 the submission to, and approval by, the Debtor of an appropriate invoice setting
forth in reasonable detail the nature of the services rendered and expenses
13 actually incurred (without prejudice to the Debtor’s right to dispute any such
invoices); *provided, however,* that the Ordinary Course Professional’s total
14 compensation and reimbursements to be paid without separate application shall
not exceed \$12,000 for each month starting from the first full month following
15 the Petition Date (the “OCP Monthly Cap”) and/or shall not exceed \$36,000 for
each quarter (the “OCP Quarterly Cap”)²; *provided further, however,* the
16 Debtor’s auditors, financial advisors and recruiters who are paid at certain
milestones or quarterly instead of monthly may receive regular payments
17 greater than \$12,000 as set forth in Exhibit 1 to the Proposed Order, which
18 currently are comprised of an annual audit fee of approximately \$132,000
payable to BPM LLP and an executive search recruiting fee of approximately
19 \$80,000.

20 (vii) To the extent an Ordinary Course Professional’s total compensation and
reimbursements are less than the OCP Monthly Cap, the amount by which such
21 compensation and reimbursements are below the OCP Monthly Cap may be
carried over to successive periods.

22 (viii) In the (unanticipated) event that an Ordinary Course Professional’s fees and
23 expenses exceed the OCP Monthly Cap for any month during this Bankruptcy
Case: (a) the Debtor may pay the Ordinary Course Professional’s fees and
expenses owed for such month up to the OCP Monthly Cap; and (b) for each
24 such month, the Ordinary Course Professional may file with the Court a fee
application, to be heard on notice, on account of the fees and expenses
25 (including fees and expense below the OCP Monthly Cap) and apply for
compensation and reimbursement of such amount in compliance with sections

27 ² The Ordinary Course Professional who are paid pursuant to monthly invoices shall be subject to
the Monthly and Quarterly Caps. The Ordinary Course Professional who are paid in installments
28 or flat fees may be paid in excess of the Monthly Cap provided the payments do not exceed the
Quarterly Cap e.g. Beacon Point, Grant Thornton, Global Retirement, and Korn Ferry.

330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules.

- (ix) Within thirty (30) days of the end of each quarterly period, the Debtor will file a statement with the Court and serve the same on the Reviewing Parties, certifying the Debtor's compliance with the terms of the relief requested herein. The statement shall include for each Ordinary Course Professional (a) the name of such Ordinary Course Professional, and (b) for each quarterly period, the aggregate amounts paid as compensation for services rendered and as reimbursement of expenses incurred by such professional.
- (x) If the Debtor seeks to retain an Ordinary Course Professional not already listed on Exhibit 1 to this Order, the Debtor will file with the Court and serve on the Reviewing Parties a notice listing those additional Ordinary Course Professionals to be added to the initial list of Ordinary Course Professionals (the "OCP List Supplement"), along with the attendant OCP Declarations and Retention Questionnaires.
- (xi) If a party wishes to object to the retention of an Ordinary Course Professional listed on an OCP List Supplement, such party shall, within fifteen (15) days after the filing of the applicable OCP List Supplement, file with the Court and serve on the Objection Recipients a written objection stating the legal and/or factual bases for such objection. If no timely objection to the retention of an Ordinary Course Professional listed on an OCP List Supplement is filed with the Court and served on the Objection Recipients, the retention and employment of such professional shall be deemed approved without further order of the Court. Any Ordinary Course Professional retained pursuant to an OCP List Supplement will be paid in accordance with the terms and conditions set forth in these Procedures.

3. The form of OCP Declaration and Retention Questionnaire are approved.

4. Nothing contained in the Motion or this Order, nor any payment made pursuant to authority granted by this Order, is intended to be or shall be construed as (i) an admission as to validity of any claim against the Debtor, (ii) a waiver of the Debtor's or any appropriate party's rights to dispute the amount of, basis for, or validity of any claim against the Debtor, (iii) a waiver of any claims or causes of action which may exist against any creditor or interest or (iv) an approval, assumption, adoption, or rejection of any agreement, contract, lease, claim, or policy between the Debtor and any third party under section 365 of the Bankruptcy Code. Entry of this Order and approval of the Procedures shall not affect the Debtor's ability to (i) accept any invoice submitted by an Ordinary Course Professional or (ii) retain additional Ordinary Course Professionals from time to time as needed, and the Debtor reserves all of their rights with respect thereto.

5. Nothing herein shall create, nor is intended to create, any rights in favor of or

enhance the status of any claim held by any party.

6. The Debtor is authorized to take all steps necessary or appropriate to carry out this Order.

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

APPROVED AS TO FORM

Office of the U.S. Trustee

/s/ *Jason Blumberg*

Jason Blumberg

Official Committee Counsel

Official Committee Counsel
Pachulski Stang Ziehl & Jones

/s/ *John W Lucas*

John W. Lucas

** END OF ORDER **

1 Exhibit 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Case No. 23-30564
ORDER AUTHORIZING EMPLOYMENT
OF ORDINARY COURSE PROFESSIONALS

Exhibit 1
Initial List of Ordinary Course Professionals

Name	Address	Professional Service	Estimated Amount
Legal			
Allen, Glaessner, Hazelwood & Werth LLP	180 Montgomery Street, Suite 1200, San Francisco, CA 94104	Legal advice and representation in litigation concerning non-abuse matters.	\$10,000 per month
Best Best & Krieger LLP	3390 University Ave 5th Fl. Riverside, CA 92502	Legal Advice concerning Pension/403B plans	\$2,000 per month
Jackson Lewis LLP	50 California Street, 9 th Floor, San Francisco, CA 94111	Legal advice and representation in employment litigation matters	\$5,000/mo.
Littler Mendelson, PC	333 Bush Street, 34 th Floor, San Francisco, CA 94104	Legal services concerning employment and union matters	\$2,000 month
Rankin Stock Heaberlin O'Neal	93 N. 3 rd Street, #500, San Jose, CA 95112	Litigation	\$5,000/mo.
Financial/Accounting			
Beacon Pointe LLP	24 Corporate Plaza Drive, Suite 150 Newport Beach, CA 92660	Investment Advisor	\$36,000 per quarter
BPM LLP	One California Street, Suite 2500, San Francisco, CA 94111	CPA Firm for Audits Chancery/ Central Administrative Offices	Unbilled portion for FY'23 Audit \$132,000
Nicolay Consulting Group Inc.	231 Sansome St. Suite 300 San Francisco, CA 94104	Pension Plan consulting and actuarial services for pension plans	\$6,000 per quarter
Grant Thornton LLP	101 California Street, Suite 2700, San Francisco, CA 94111	UBIT Tax Consulting	\$10,000 initial payment and

			\$10,000 upon completion
Global Retirement Partners – Heffernan Retirement Services	4340 Redwood Hwy, Ste B60, San Rafael, CA 94903	403B Plan Advisor	\$14,000 per Quarter
Other			
Stewardship Planned Giving	6713 Old Jacksonville Highway, Suite 105 Tyler, Texas 75703	Consulting for Planned Giving	\$8,000 month over 4 months
Korn Ferry	One Montgomery Street, Suite 2200 San Francisco, CA 94104	Executive Search Consultant	\$16,000 flat fee
Executive Search Recruiting Firm(s)	TBD	Assist with recruiting for Superintendent Position	\$80,000 (payable in 3 installments at engagement, submission of vetted candidates, & placement of candidate)

1 Exhibit 2
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Case No. 23-30564
ORDER AUTHORIZING EMPLOYMENT
OF ORDINARY COURSE PROFESSIONALS

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

In re:

THE ROMAN CATHOLIC ARCHBISHOP OF SAN FRANCISCO,

Debtor and Debtor In Possession.

Case No. 23-30564

Chapter 11

**DECLARATION AND DISCLOSURE
STATEMENT OF _____,
ON BEHALF OF _____**

To be completed by Professionals engaged by The Roman Catholic Archbishop of San Francisco, as debtor and debtor in possession (“Debtor”), in the above-captioned chapter 11 case.

I, _____, hereby declare as follows:

1. I am a _____ of _____, located at _____ (the "Firm").

2. The Debtor in the above-captioned chapter 11 case has requested that the Firm provide _____ services to the Debtor, and the Firm has consented to provide such services (the “Services”). Attached hereto is a true and correct copy of the engagement agreement between the Debtor and the Firm (the “Engagement Agreement”). [The Engagement Agreement does not contain indemnification and/or limitation of liability provisions] or [The Engagement Agreement contains indemnification and/or limitation of liability provisions as set forth at _____ of the Engagement Agreement].

3. The Services include, but are not limited to, the following:

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to this chapter 11 case, for persons that are parties in interest in the Debtor's chapter 11 case. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtor, or other parties in interest in this chapter 11 case. The

1 Firm does not perform services for any such person in connection with this chapter 11 case. In
2 addition, the Firm does not have any relationship with any such person, such person's attorneys,
3 or such person's accountants that would be adverse to the Debtor or its estate with respect to the
4 matters on which the Firm is to be retained.

5 5. Neither I, nor any principal of, or professional employed by the Firm has agreed to
6 share or will share any portion of the compensation to be received from the Debtor with any other
7 person other than principals and regular employees of the Firm.

8 6. Neither I nor any principal of, or professional employed by the Firm, insofar as I
9 have been able to ascertain, holds or represents any interest materially adverse to the Debtor or its
10 estate with respect to the matters on which the Firm is to be retained.

11 7. As of the commencement of this chapter 11 case, the Debtor owed the Firm
12 \$ _____ in respect of prepetition services rendered to the Debtor.

13 8. If at any time during the period of its employment, if the Firm should discover any
14 facts bearing on the matters described herein, the Firm will supplement the information contained
15 in this declaration.

16 Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the
17 United States of America that the foregoing is true and correct, and that this Declaration and
18 Disclosure Statement was executed on _____, 2023, at _____.

19
20 _____
21 Declarant Name
22
23
24
25
26
27
28

Exhibit 3

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Case No. 23-30564

Case No. 25-30307
**ORDER AUTHORIZING EMPLOYMENT
OF ORDINARY COURSE PROFESSIONALS.**

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

In re:

THE ROMAN CATHOLIC
ARCHBISHOP OF SAN FRANCISCO,

Case No. 23-30564

Chapter 11

RETENTION QUESTIONNAIRE

To be completed by Professionals engaged by Roman Catholic Archbishop of San Francisco, as debtor and debtor in possession (“Debtor”), which filed the above-captioned chapter 11 case on **August 21, 2023**.

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of professional:

2. Date of retention:

3. Type of Services to be provided:

4 Brief description of services to be provided:

5 Arrangements for compensation (hourly, contingent, etc.):

(a) Average hourly rate (if applicable):

1 (b) Estimated average monthly compensation based on prepetition retention (if company
2 was employed prepetition): _____

3 6. Prepetition claims against the Debtor held by the company (if any):

4 Amount of claim: \$ _____

5 Date claim arose: _____

6 Nature of claim: _____

7 7. Prepetition claims against the Debtor (if any) held individually by any member, associate, or
8 employee of the company:

9 Name: _____

10 Status: _____

11 Amount of claim: \$ _____

12 Date claim arose: _____

13 Nature of claim: _____

14 _____

15 8. Disclose the nature and provide a brief description of any interest adverse to the Debtor or
16 its estate for the matters on which the professional is to be employed:

17 _____

18 _____

19 _____

20 9. Name and title of individual completing this form:

21 _____

22 Dated: _____, 2023

23
24 Declarant Name
25
26
27
28

1 Court Mailing List
2 ECF Participants
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28